



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE

September 11, 2024

COMMITTEE MEMBERS

VACANT – CHAIR
KEN CARLSON
LYNDA HOPKINS
GABE QUINTO
STEVE YOUNG

MARK ROSS – VICE CHAIR
JOHN GIOIA
OTTO LEE
VICKI VEENKER

**MEETING LOCATION(S) FOR IN-PERSON ATTENDANCE BY
COMMITTEE MEMBERS AND MEMBERS OF THE PUBLIC**

**Bay Area Metro Center
Yerba Buena Room
375 Beale Street
San Francisco, CA 94105**

**City of Palo Alto City Hall
250 Hamilton Ave.
Palo Alto, CA 94301**

**Office of Contra Costa County
Supervisor John Gioia
Conference Room
11780 San Pablo Ave., Suite D
El Cerrito, CA 94530**

**Office of Santa Clara County
Supervisor Otto Lee
70 W Hedding St
East Wing, 10th Floor
San Jose, CA 95110**

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Stationary Source Committee reserves the right to conduct the meeting without remote webcast and/or Zoom access.

The public may observe this meeting through the webcast by clicking the link available on the air district's agenda webpage at www.baaqmd.gov/bodagendas.

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/81979755664>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 819 7975 5664

Public Comment on Agenda Items: The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on a matter on the agenda will have two minutes each to address the Committee on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.

The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is *per se* disruptive to a meeting and will not be tolerated.

STATIONARY SOURCE COMMITTEE MEETING AGENDA

WEDNESDAY, SEPTEMBER 11, 2024

10:00 AM

1. Call to Order - Roll Call

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. Pledge of Allegiance

CONSENT CALENDAR (Item 3)

The Consent Calendar consists of routine items that may be approved together as a group by one action of the Committee. Any Committee member or member of the public may request that an item be removed and considered separately.

3. Approval of the Draft Minutes of the Stationary Source Committee Meeting of July 17, 2024

The Committee will consider approving the Draft Minutes of the Stationary Source Committee Meeting of July 17, 2024.

INFORMATIONAL ITEM(S)

4. Updates to the 2024 - 2025 Regulatory Agenda

The Committee will discuss updates to the 2024-2025 regulatory agenda and future regulatory efforts that align with the Air District's 2024-2029 Strategic Plan and the passage of recent state legislation. This item will be presented by Victor Douglas, Director of the Rules and Strategic Policy Division.

5. Update on Indirect Sources

The Committee will receive an update on regulating indirect sources including a review of the March 2024 presentation, the regulatory landscape, an emissions overview, rule development opportunities, policy tools and potential next steps. This item will be presented by Mark Tang, Assistant Manger in the Planning Division, and Laura Cackette, Principal Environmental Planner in the Planning Division.

OTHER BUSINESS

6. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Committee. Members of the public will have two minutes each to address the Committee, unless a different time limit is established by the Chair. The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.

7. Committee Member Comments

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

8. Time and Place of Next Meeting

Wednesday, October 9, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Stationary Source Committee members and members of the public will be able to either join in-person or via webcast.

9. Adjournment

The Committee meeting shall be adjourned by the Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Suma Peesapati, at (415) 749-4967 or by email at speesapati@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

SEPTEMBER 2024

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source Committee	Wednesday	11	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	11	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Finance and Administration Committee	Wednesday	18	10:00 a.m.	1 st Floor Board Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	18	1:00 p.m.	1 st Floor Board Room
Advisory Council Meeting	Thursday	19	9:30 a.m.	1 st Floor Board Room
Board of Directors Community Advisory Council Meeting	Thursday	19	6:00 p.m.	California State University East Bay Oakland Professional & Conference Center Trans Pacific Center 1000 Broadway, Suite 109 Oakland, CA 94607

OCTOBER 2024

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	2	10:00 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	9	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	9	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Finance and Administration Committee	Wednesday	16	10:00 a.m.	1 st Floor Board Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	16	1:00 p.m.	1 st Floor Board Room
Advisory Council Meeting	Wednesday	30	9:30 a.m.	1 st Floor Board Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Vice Chairperson Mark Ross and Members
of the Stationary Source Committee

From: Philip M. Fine
Executive Officer/APCO

Date: September 11, 2024

Re: Approval of the Draft Minutes of the Stationary Source Committee Meeting of July
17, 2024

RECOMMENDED ACTION

Approve the Draft Minutes of the Stationary Source Committee Meeting of July 17, 2024.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Stationary Source Committee Meeting of July 17, 2024.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Draft Minutes of the Stationary Source Committee Meeting of July 17, 2024

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 749-5073

Stationary Source Committee
Wednesday, July 17, 2024

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Stationary Source Committee (Committee) Vice Chairperson, Mark Ross, called the meeting to order at 10:00 a.m., and introduced new Committee member, Gabriel Quinto.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Vice Chairperson Mark Ross; and Directors Ken Carlson, John Gioia, and Gabriel Quinto.

Present, In-Person Satellite Location (Office of Contra Costa County Supervisor, John Gioia, Conference Room, 11780 San Pablo Ave., Suite D, El Cerrito, CA 94530): Director Steve Young.

Present, In-Person Satellite Location (Santa Rosa Junior College, Doyle Library, 1501 Mendocino Avenue, Room 148, Santa Rosa, California, 95401): Director Lynda Hopkins.

Present, In-Person Satellite Location (Office of Santa Clara County Supervisor Otto Lee, 70 W Hedding St, East Wing, 10th Floor, San Jose, California, 95110): Director Otto Lee.

Present, In-Person Satellite Location (City of Palo Alto City Hall, 250 Hamilton Ave., Palo Alto, California, 94301): Director Vicki Veenker.

Absent: None.

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR

3. APPROVAL OF THE DRAFT MINUTES OF THE STATIONARY SOURCE COMMITTEE MEETING OF MAY 8, 2024

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Carlson made a motion, seconded by Director Lee, to **approve** the Draft Minutes of the Stationary Source Committee Meeting of May 8, 2024; and the motion **carried** by the following vote of the Committee:

AYES: Carlson, Gioia, Hopkins, Lee, Quinto, Ross, Young.
NOES: None.
ABSTAIN: None.
ABSENT: Veenker.

INFORMATIONAL ITEMS

4. MID-YEAR REVIEW OF THE 2024 REGULATORY AGENDA (OUT OF ORDER, ITEM 5)

David Joe, Manager of Rules and Strategic Policy, gave the staff presentation *Mid-Year Review of the 2024 Regulatory Agenda*, including: outcome; outline; rules status update; regulatory commitments; updating our prioritization process; and next steps.

NOTED PRESENT: Director Veenker was noted present at 10:05 a.m.

Public Comments

Public comments were given by Bob Brown, Western States Petroleum Association.

Committee Comments

The Committee and staff discussed appreciation for the Air District’s Regulations 9-4 and 9-6 (which reduce emissions of nitrogen oxides from residential and commercial furnaces and water heaters in buildings in the Bay Area), as similar regulations are being passed in other states, and market signaling is resulting in manufacturer compliance; the need to proactively address any misinformation about Regulations 9-4 and 9-6 that is being perpetuated; concerns about anticipated cost burdens (especially for households in disadvantaged communities) when replacing appliances to comply with Regulations 9-4 and 9-6, and concerns regarding the amount of time it may take for a household to receive a rebate

after having to pay for costs up front to upgrade their appliances; the suggestion of communicating the savings and benefits of installing appliances that comply with Regulations 9-4 and 9-6; the San Francisco Planning and Urban Research Association's May 2024 publication *Solving The Panel Puzzle: Avoiding and Streamlining Electric Panel and Service Upsizing to Accelerate Building Decarbonization*; the desire for equitable just transition (a set of principles, processes, and practices that aim to ensure that no people, workers, places, sectors, countries or regions are left behind in the transition from a high-carbon to a low carbon economy); the extent to which the economic impacts of Regulations 9-4 and 9-6 will be evaluated addressed in the December 2024 report to the Board; the need for additional funding to address air pollution for overburdened communities; whether the Air District has sufficient staffing capacity to prioritize desired rule development; the desire for subsidized electrical panel upgrades for low-income households, and whether middle-income households could be eligible as well; the desire for Assembly Bill 617 (Community Health Protection Program) Community Emissions Reduction Plans to be implemented as soon as possible after adoption by the Air District's Board and then the California Air Resources Board; the public's desire for development on a flaring rulemaking; and the desire that the Air District publishes the anticipated timeline for all potential rulemakings as soon as possible.

Committee Action

No action taken.

5. BAY AREA CLEAN WATER AGENCIES UPDATE (BACWA) (ITEM 4)

Lorien Fono, Executive Director of the Bay Area Clean Water Agencies, gave the presentation *BACWA/BAAQMD (Bay Area Air Quality Management District) Workgroup*, including: who is BACWA, BACWA's mission and vision; advent of BACWA/BAAQMD Workgroup; BACWA and BAAQMD goals addressed by Workgroup; notable outcomes; and future work.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether BACWA is concerned about any Air District regulations; whether the BACWA/BAAQMD Workgroup is investigating polyfluoroalkyl substances (PFAS) in Bay Area wastewater and air; wastewater monitoring for SARS-CoV-2 in the San Francisco Bay Area; and how Mango Materials recently completed a polyhydroxyalkanoate (PHA) production facility at a wastewater treatment plant in Vacaville (methane is captured from microbes that clean the public water supply and channel it into bioreactors with their methane-consuming bacteria), and whether BACWA plans to conduct a pilot program on co-digestion and carbon management.

Committee Action

No action taken.

6. TOXIC AIR CONTAMINANT CONTROL PROGRAM ANNUAL REPORT – 2024

Carol Allen, Engineering Manager, gave the staff presentation *Toxic Air Contaminant (TAC) Control Programs Annual Report 2024*, including: outcome; outline; requested action; background on Annual Report; description of toxic control programs; facility risk reduction programs; risk management thresholds and actions; facility Health Risk Assessments (HRA) and status; highlights to next steps; and toxic inventory mapping tool.

Public Comments

Public comments were given by Tanya Boyce, Environmental Democracy Project.

Committee Comments

The Committee and staff discussed the status of final approved Health Risk Assessments (HRA) of the regulated community, and which facilities are required to complete a final approved HRA; concern about the fact that this rule is not being implemented according to its original schedule, and the anticipated implementation timeline; status of petroleum refinery HRAs; the difference between toxic New Source Review source risk and facility risk; and alternatives to Best Available Retrofit Control or Best Available Control Technologies.

Committee Action

No action taken.

OTHER BUSINESS

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

Chair Gioia asked that the Air District provide the Committee with a future presentation on methodologies to quantify economic (dollar) values for health impacts.

Vice Chair Ross wondered how vigorously fossil fuel producers will try to entice their former customers back as people transition from fossil fuels to renewable energy, and whether supply gluts will result.

Director Carlson expressed concerns over mixed messages that his constituents receive from Pacific Gas & Electric regarding grid capacity.

9. TIME AND PLACE OF NEXT MEETING

Wednesday, September 11, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Stationary Source Committee members and members of the public will be able to either join in-person or via webcast.

10. **ADJOURNMENT**

The meeting was adjourned at 11:48 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Vice Chairperson Mark Ross and Members
of the Stationary Source Committee

From: Philip M. Fine
Executive Officer/APCO

Date: September 11, 2024

Re: Updates to the 2024 - 2025 Regulatory Agenda

RECOMMENDED ACTION

No action requested at this time.

BACKGROUND

As presented in July, the Air District is currently working on a variety of ongoing rule development efforts and initiatives which were categorized as follows:

- Community Partnerships
- White Papers
- Rulemaking
- Rule Implementation

Since the staff's presentation in July, several potential rulemaking efforts and regulatory commitments have originated from a variety of sources, including the *2024-2029 Strategic Plan*. These potential efforts include:

- Appliance Rules: Changes for United States Environmental Protection Agency (US EPA) State Implementation Plan (SIP) Approval
- Strategic Plan: Commitment to Minimizing Flaring
- Strategic Plan: Timely Permits

DISCUSSION

An overview of each of the above updates listed is provided below.

Changes to the Appliance Rules

On December 27, 2023, the California Air Resources Board (CARB) submitted Bay Area Air Quality Management District (Air District) Regulation 9: Inorganic Gaseous Pollutants, Rule 4: Nitrogen Oxides from Fan Type Central Furnaces (Rule 9-4), and Regulation 9: Inorganic

Gaseous Pollutants, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (Rule 9-6) to the United States Environmental Protection Agency (US EPA) for inclusion in the State Implementation Plan (SIP). US EPA has initiated their review of the submitted rules and identified changes needed to ensure federal enforceability of the rules and consistency with the current SIP. US EPA has indicated that if the Air District is willing to commit to adopt specific enforceable measures addressing the identified issues, US EPA will proceed with issuing a conditional approval of Rule 9-4 and Rule 9-6 into the SIP. To resolve the issues identified by US EPA, the Air District staff would need to bring a proposal that includes the recommended amendments to the Board for consideration with sufficient time for the adopted and revised rule to be transmitted through CARB to US EPA within 12 months of the effective date of US EPA's final action.

Commitment to Minimizing Flaring

Strategy 1.3 of the 2024-2029 Strategic Plan commits the Air District to minimize flaring at oil refineries to lessen the impact flaring has on communities, including air pollution and odors. People living near oil refineries are especially concerned about flaring, as flaring can release uncertain and potentially unsafe amounts of air pollution. The Air District's current regulations prohibit routine flaring by requiring refineries to submit and comply with annual Flare Minimization Plans. These plans require refineries to evaluate and implement all feasible prevention measures, or actions that can be done to reasonably prevent expected flaring, such as during maintenance events. Our regulations also require refineries to record flaring events, to monitor the volume and composition of the flare gas, and to submit monthly flaring reports to the Air District. Flare Minimization Plans, monthly flaring reports, and general information on flaring events and associated emissions for each facility are posted on our website.

Under this strategy, the Air District will explore new and additional ways to minimize flaring. Options include automating monitoring, implementing better ways to limit pollution related to flare systems, and strengthening our flare minimization-related regulations. In updating these regulations, we will consider health impacts, better enforceability, and more stringent flaring requirements. The Air District will also increase our public engagement on flaring and develop ways to share timely and accessible information with affected communities. Furthermore, the Air District will better hold refineries accountable for any illegal flaring incidents through increased inspections and monitoring where an incident occurs.

To expedite this strategy, staff will begin analyzing over two decades of information submitted by the five Bay Area refineries and reviewing flare rules at other air districts and air quality agencies for approaches and requirements that can be implemented and adopted into our flare rules.

Timely Permits:

The Air District receives over 1,000 new air quality permit applications each year. We also handle about 10,000 permit renewals and manage 78 Major Facility Review Permits (also known as "Title V permits") for large industrial facilities in the Bay Area. Sometimes we are not able to issue air quality permits within the timeframes outlined in our regulations. Untimely permits can negatively impact businesses, including small businesses, which may have to suspend or delay their operations because they have not received their permit. Delays can also result in lost or late

fee collection, inefficient permit reviews, and even increased emissions if installation of pollution controls is delayed. It can also lead to uneven public participation and awareness.

Improving the efficiency of the permitting process will not only provide more timely permits, it will also free up engineering expertise that can then be redirected to focus on rule development and working with community members to develop, understand and prioritize opportunities for reducing air pollution from stationary sources.

Three high priority efforts have been identified which will improve permit timeliness and allow for engineering expertise to be focused on higher-priority efforts:

- Rule 11-18: Toxic Risk Reduction at Existing Facilities: Improve processes to speed requirements to install pollution controls and to reduce staff workload.
- Rule 12-15: Refinery Emissions Tracking: Improve the efficiency of the developing of emissions estimates for refineries.
- Backup Engines Registration: Rule 2-1: Permitting General Requirements and Rule 9-8: Internal Combustion Engines: Simplify permitting of backup generators while ensuring protection of public health.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Victor Douglas

Reviewed by: Greg Nudd

ATTACHMENTS:

1. Update to the 2024 - 2025 Regulatory Agenda Presentation



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Update to the 2024-2025 Regulatory Agenda

**Stationary Source Committee
September 11, 2024**

**Victor Douglas
Director
Rules and Strategic Policy
vdouglas@baaqmd.gov**

Presentation Requested Action

- None; informational item.

Presentation Outcome

- Discussion of updates to the 2024-2025 Regulatory Agenda

Presentation Outline

- Current and Upcoming Commitments
- Recent Updates
 - Appliance Rules Changes for United States Environmental Protection Agency (US EPA) State Implementation Plan (SIP) Approval
 - Adopted Strategic Plan:
 - Fenceline and Community Monitoring
 - Minimizing Flaring
 - Permitting Efficiency
- Next Steps
- Discussion

Updating our Prioritization Process

Why update our prioritization process?

- Increase in committed and potential regulatory efforts



- Strategic Plan calls for regulatory efforts to
 - Protect the health of communities impacted by air pollution
 - Free up agency resources to focus on these communities

Updating our prioritization process to

- Consult with key stakeholders and communities
- Align with Strategic Plan and agency budget
- Ensure adequate resourcing

Regulatory Commitments

Rule	Type of Effort	Impetus
<i>In Progress Rules</i>		
Rule 6-4: Metal Shredding and Recycling	Rule Development	West Oakland Community Action Plan (WOCAP) Strategy 68; Path to Clean Air (PTCA) Measure Commercial and Industrial (C&I) 4.5
Rule 6-3: Wood Burning Devices	Rule Development	WOCAP Further Study Measure 5; PTCA Measure Public Health (PH) 2.5
Rules 9-4 and 9-6: Zero Nitrogen Oxides (NOx) Building Appliance Rules	Implementation	Health Protection; Particulate Matter Attainment

Regulatory Commitments (cont.)

Rule	Type of Effort	Impetus
<i>Not Started</i>		
Flaring	White Paper	Adopted Strategic Plan Strategy 1.3; PTCA Measure Fuel Refining (FR) 2.6
Nitrogen Oxide (NOx) Sources at Refineries	White Paper / Regulatory Evaluation	PTCA Measure FR 5.5
Autobody	White Paper	WOCAP Stationary Sources 71; PTCA Measure C&I 5.2
Commercial Cooking	White Paper	WOCAP Stationary Sources 87
Indirect Source Rule	Regulatory Evaluation	WOCAP Mobile Sources 67; PTCA Measure Mobile 1.4; Board Direction
Sulfur Oxide (SOx) Sources at Refineries	White Paper / Regulatory Evaluation	PTCA Measure FR 5.6
Backup Generators	White Paper	PTCA Measure C&I 5.1

Regulatory Commitments (cont.)

Rule	Type of Effort	Impetus
Rules Based On Particulate Matter (PM) Health Risk Methodology	New Rule(s)	PTCA Measure FR 5.3
Rule 11-18 (Stringency Improvements)	Rule Development	PTCA Measure FR 4.1
Source-specific Toxic Rules	New Rule(s)	Adopted Strategic Plan Strategy 1.2; PTCA Measure FR 4.5
Rule 2-5 Efficiencies	Rule Development	Engineering Audit Corrective Action Plan
Rule 12-15 Efficiencies	Rule Development	Engineering Audit Corrective Action Plan/Need for community-driven fence-line monitoring enhancements
Backup Generators (Permitting Efficiencies)	New Rule	Engineering Audit Corrective Action Plan
Best Available Control Technology (BACT) (Permitting Efficiencies)	New Rule	Engineering Audit Corrective Action Plan

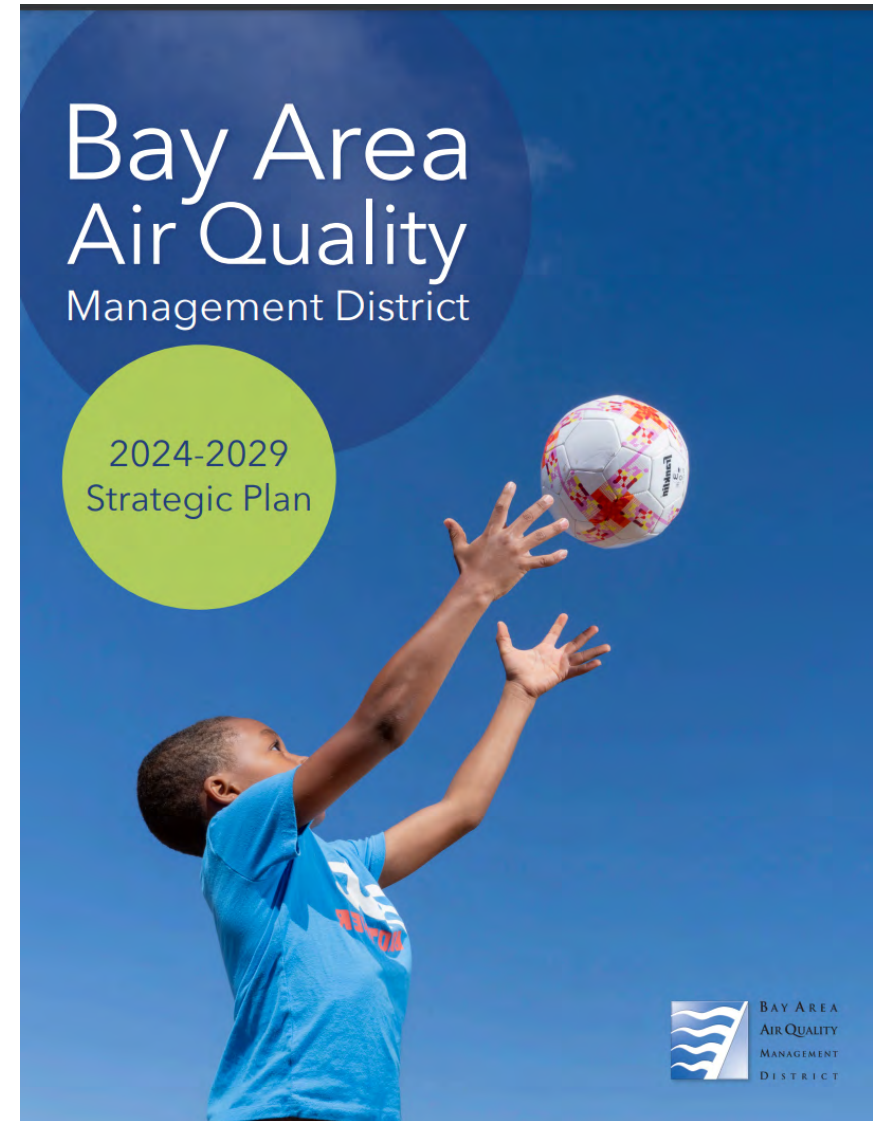
Recent Updates – Appliance Rules Changes for US EPA SIP Approval

- 2023 amendments to Rules 9-4 and 9-6 submitted to US EPA for SIP Approval
- US EPA requesting administrative changes to ensure enforceability, will issue **conditional approval** of amendments into the SIP
 - Letter of commitment to include these changes only
 - Expected rule proposal in Quarter 4 2025
- Discussion about timelines and additional factors to occur at December Board Meeting



Recent Updates – Strategic Plan Commitments for Fenceline and Community Monitoring

- Adopted Strategic Plan:
 - “Make Data Accessible (Strategy 2.3)
 - “Understand Local Air Pollution” (Strategy 2.7)
- Recent Legislation:
 - Senate Bill (SB) 674: Refinery Air Pollution Transparency & Reduction Act (vetoed)
 - AB 2851: Metal Shredding Facilities – Fenceline Monitoring (passed legislature)
- Stakeholder engagement to gather input on monitoring improvements
- Develop rule language and guidelines



Recent Updates – Strategic Plan Commitments to Minimizing Flaring

We Will...



“Explore ways to minimize flaring.”

“Increase public engagement on flaring.”

“Share timely, accessible information.”

“Increase inspections and air pollution monitoring where flaring occurs.”

Permitting Efficiencies (Strategy 4.1)

High Priority Efforts

- Rule 11-18: Toxic Risk Reduction at Existing Facilities
 - Process streamlining to speed requirements to install pollution controls and to reduce staff workload in order to address permit backlog
- Rule 12-15: Refinery Emissions Tracking
 - Improve efficiency of the development of emissions estimates for refineries
- Backup Engines Registration: Rule 2-1: Permitting General Requirements and Rule 9-8: Internal Combustion Engines
 - Simplify permitting of backup generators while ensuring protection of public health

Next Steps

Appliance Rules 9-4 & 9-6:

- December Board update on implementation progress
- Submit Commitment Letter to US EPA
- Initiate limited rule revision

Fenceline and Community Monitoring

- Technical Analyses
- Public Engagement
- Initiate rule making



Next Steps (cont.)

Minimizing Flaring Rules 12-11 & 12-12

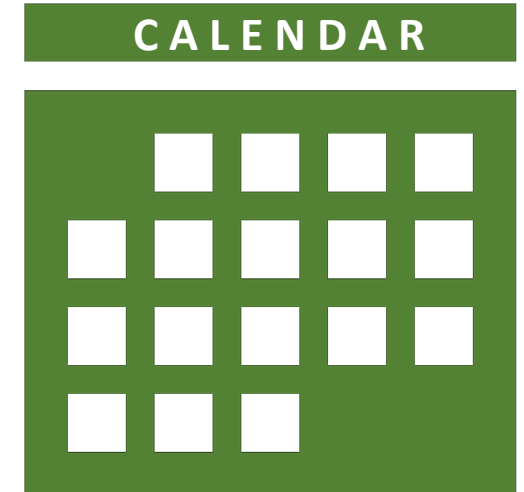
- Technical Analyses
- Public Engagement
- Initiate rule making

Permitting Efficiency

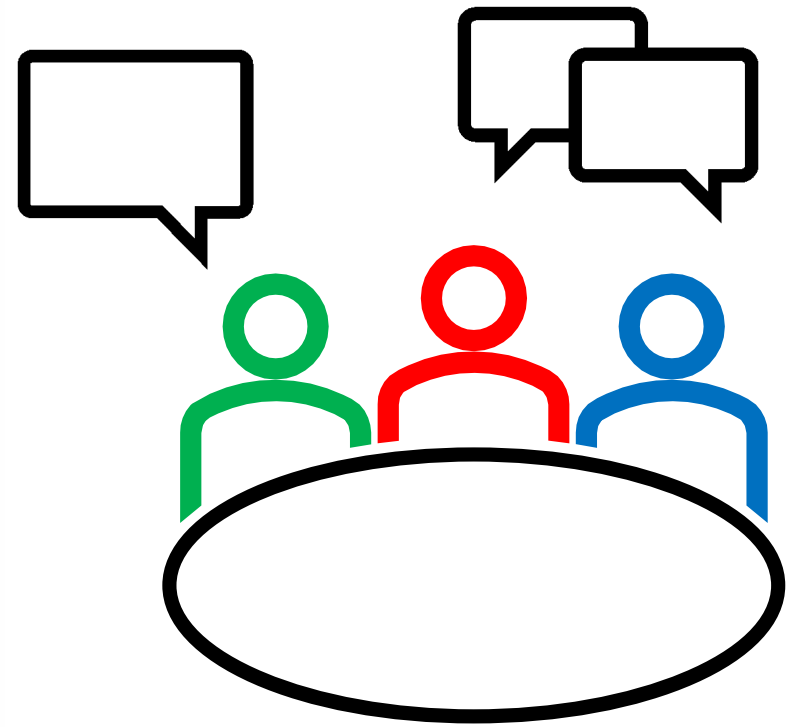
- Coordinate internally
- Draft plan of action

Engage Stakeholders and Board of Directors

- Prioritization of efforts
- Resource analyses



Discussion



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Vice Chairperson Mark Ross and Members
of the Stationary Source Committee

From: Philip M. Fine
Executive Officer/APCO

Date: September 11, 2024

Re: Update on Indirect Sources

RECOMMENDED ACTION

Informational only; no action requested at this time.

BACKGROUND

This presentation provides an update on indirect sources, rule development opportunities, and other policy tools, and serves as an opportunity to receive feedback and discuss next steps. An Indirect Source (IS) is defined in the Clean Air Act as "...a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution." Staff provided a presentation at the Stationary Source Committee meeting in March 2024, providing an overview and update on the status of Indirect Source Regulations (ISR) and efforts throughout the State. Committee discussion highlighted concerns about warehouses as indirect sources. Staff committed to consulting with South Coast Air Quality Management District (SCAQMD) on their ISR efforts and following up with the Committee on potential approaches for addressing impacts from indirect sources. In response, this presentation covers the regulatory landscape for ISR, provides an overview of indirect source emissions, and discusses potential rule development (including resource needs), as well as local action to address indirect emissions impacts.

DISCUSSION

Indirect sources and their impacts on nearby communities have continued to increase throughout California, with goods movement activities and related emissions as a key issue. Concerns have been raised by the public, Assembly Bill (AB) 617 Community Steering Committees, and the Board about air quality impacts from goods movement infrastructure and future planned warehouse projects in the San Francisco Bay Area, including concerns about impacts in AB 617 and other overburdened communities.

Regulatory Landscape

There exist various rules, regulations, policies, and ordinances that address impacts from indirect sources (including trucks, ships, and locomotives) to different degrees. Some air districts have rules directly addressing indirect sources, including SCAQMD, which has rules adopted and in development for several different sectors (including warehouses, freight rail yards, and commercial marine ports). State and federal agencies have regulations governing different categories of mobile source equipment.

For warehouses, the predominant sources of indirect emissions are medium- and heavy-duty trucks. The California Air Resources Board (CARB) has several regulations directly affecting trucks (including Advanced Clean Trucks and Advanced Clean Fleets) that are expected to provide significant emissions reductions over the next five to 15 years and beyond.

Assembly Bill (AB) 98 (Carrillo) – Planning and zoning: logistics use: truck routes was recently introduced and approved by the state legislature. AB 98 is awaiting the Governor’s signature and approval. AB 98 prescribes statewide warehouse design and building standards for new or expanded logistics use developments, and would require facilities to submit and implement truck routing plans. The bill would also require cities and counties to update the circulation element of their general plans to identify and establish travel routes for transport of goods to avoid residential areas and concentrations of sensitive receptors. The bill also includes specific requirements for SCAQMD regarding mobile air monitoring and for receiving community input on how penalties are assessed, collected and spent for violations of the Warehouse Indirect Source Rule (WAIRE).

Emissions

Bay Area emissions estimates for 2025-2040 were analyzed for three major categories of mobile equipment commonly associated with indirect sources: medium/heavy duty trucks, marine sources, and rail sources. The following are some key takeaways:

- When considering scale, total marine emissions are significantly larger than trucks, while rail emissions are smaller.
- For all three source categories, state regulations will bring considerable emissions reductions as they are implemented over time.

Rule Development

For warehouses, a high-level assessment of resource requirements for the Air District to develop an indirect source rule similar to SCAQMD’s WAIRE rule was conducted. Resource needs are estimated at three full-time equivalent (FTE) staff for approximately three years, plus significant legal support. Resource needs for ongoing implementation following rule development should also be considered.

Local Actions

Local actions are another approach to addressing indirect source impacts. Potential benefits of local approaches include utilizing local government authority, addressing community concerns beyond solely air quality impacts, and the ability to create customized approaches that fit local needs. The Air District can support local approaches by supporting local long range planning

processes, ordinance development, and local land use decision-making. The Air District provides resources, including screening tools and technical assistance for local jurisdictions to implement such processes, as well. The Air District also provides guidance for incorporating land use best practices to mitigate indirect source impacts in General Plans, zoning requirements, conditional use permits, conditions of approval, and site development standards.

Questions and Next Steps

Several questions stem from the presentation contents, including the following:

- What indirect source sectors and types should be prioritized with respect to emissions benefit opportunities?
- What policy tool(s), including rulemaking and additional support to local jurisdictions, provide the best opportunity to address indirect source impacts, particularly in overburdened communities?
- What are the resource implications of our approach relative to other priorities?

BUDGET CONSIDERATION/FINANCIAL IMPACT

This is an informational item, and therefore does not have direct financial impact. If the Board were to direct staff to pursue rule making to address these sources, at least three existing staff members would have to be redirected from other rule development activities or sufficient additional employees would need to be hired.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Laura Cackette and Mark Tang
Reviewed by: David Joe and Victor Douglas

ATTACHMENTS:

1. Update on Indirect Sources Presentation



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 5

Update on Indirect Sources

**Stationary Source Committee Meeting
September 11, 2024**

Laura Cackette
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Mark Tang
Assistant Manager
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Presentation Outcome

- Informational item
- Provide update on indirect sources, rule development opportunities, and other policy tools – and discuss next steps

Outline

- Recap of March Presentation, Background, Objective
- Regulatory Landscape
- Emissions Overview
- Rule Development as a Tool
- Local Action to Address Indirect Sources
- Next Steps Discussion

Recap of March Presentation

- **Presentation Contents**

- Overview of indirect emissions sources, growth, and current regulatory landscape
- Impacts on air quality, especially Assembly Bill (AB) 617 and overburdened communities
- Challenges related to existing and future indirect source efforts, including both legal and technical implementation challenges

- **Committee Discussion**

- Concern about warehouses as indirect sources
- Consult with South Coast Air Quality Management District (SCAQMD) on their Indirect Source Regulations (ISR) efforts
- Follow up with committee on potential approaches for addressing impacts from indirect sources

Recap of Background

- Clean Air Act: “Indirect source” means a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution
 - Trucks, Cargo Handling Equipment, Ships, Trains, Cars, etc.
- Existing Regulations
 - Existing statewide "direct" regulations for mobile sources
 - Additional federal/international "direct" regulations for some mobile sources
 - Regional and local rules, ordinances, and policies from air districts and local governments addressing indirect sources

Recap of Objective

- Conduct a Preliminary Analysis for a Bay Area Indirect Source Rule
 - Including assessment for warehouses
- Assessment covers
 - Regulatory Landscape
 - Emissions
 - Resource Needs
 - Other Tools

Regulatory Landscape – Air Districts

- Indirect Source Regulations from Other Air Districts
 - SCAQMD, San Joaquin Valley Air Pollution Control District (APCD), San Diego APCD (in development)
- SCAQMD
 - Rule 2305: Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program
 - Adopted and currently being implemented
 - Rule 2306: Freight Rail Yards
 - Adopted August 2, 2024
 - Proposed Rule 2304: Commercial Marine Ports – Container Terminals
 - Under development

Regulatory Landscape – Statewide [California Air Resources Board (CARB)]

- For warehouses, the predominant source of emissions is trucks
- CARB Regulations for Medium- and Heavy-Duty Trucks
 - Truck and Bus Rule – Port and Non-Port Trucks
 - Final deadline in the regulation was January 1, 2023: required upgrade of existing trucks to 2010 or newer model year engines
 - Advanced Clean Trucks
 - Requirement to sell zero-emission trucks as an increasing percentage of California sales from 2024 to 2035
 - Advanced Clean Fleets
 - Accelerating the deployment of zero-emission medium and heavy-duty trucks in order to achieve a zero-emission California truck and bus fleet by 2045
- State regulations are **expected to provide significant emissions reductions over the next 5-15 years**, and beyond

Regulatory Landscape – New Legislation

Assembly Bill (AB) 98 (Carillo) would require:

- Statewide warehouse design and building standards
- Truck routing plans
- Updates to City and County General Plan Circulation Elements
- SCAQMD:
 - Establish a process for receiving community input for WAIRE penalties
 - Deploy mobile air monitoring at warehouse developments, conduct air modeling analysis, and evaluate impact to sensitive receptors

Approved by State Legislature
For Governor's Approval and Signature

Emissions Data

Emissions context:

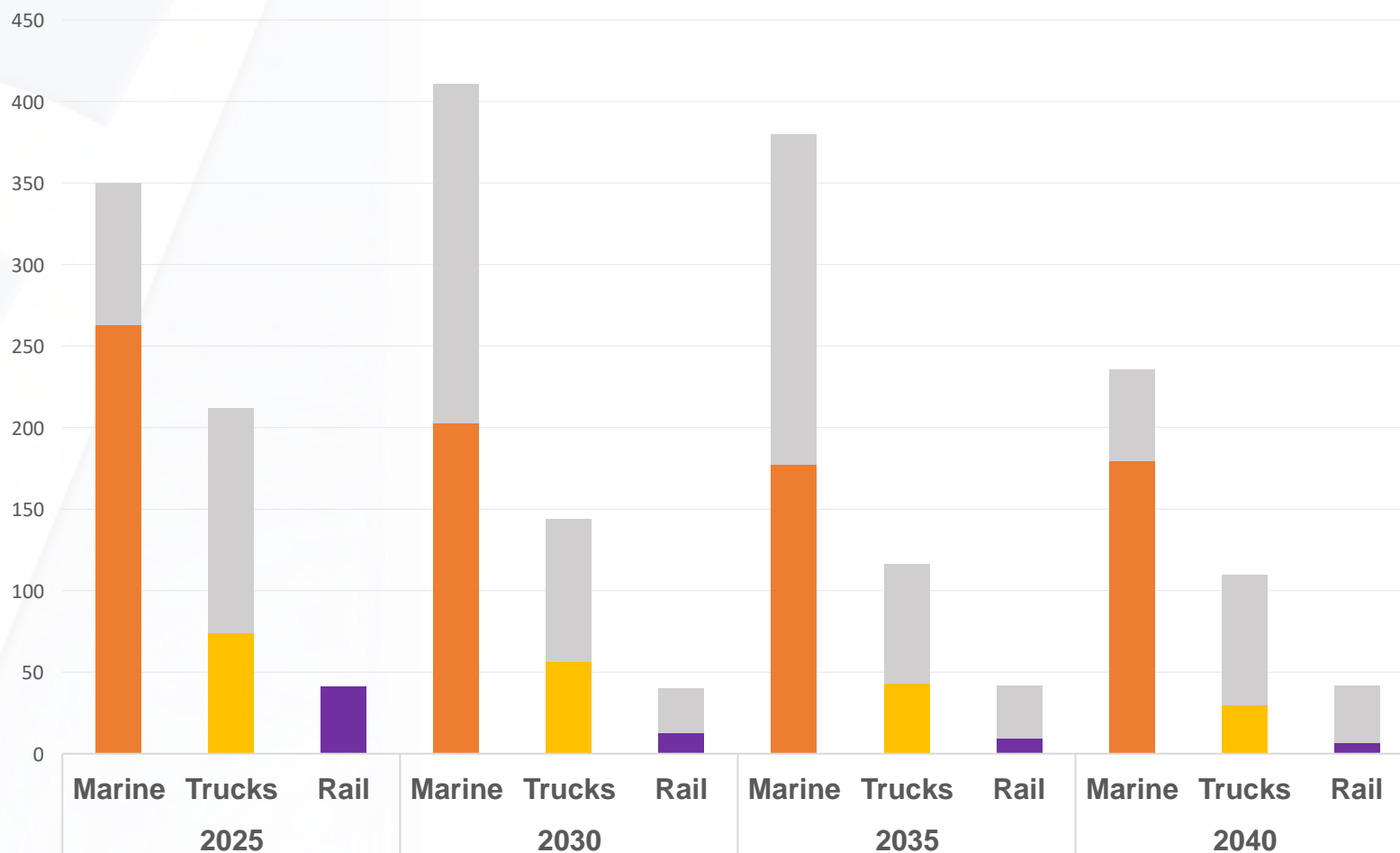
- Various types of equipment associated with indirect sources
- Trucks, Marine, Rail

Implementation &

Remaining Emissions:

- Gray = reductions from implementation of state regulations
- Colors = remaining emissions or the emissions left after implementation

Marine, Medium/Heavy Duty Trucks, and Rail PM10 Emissions Over Time (Tons per Year)



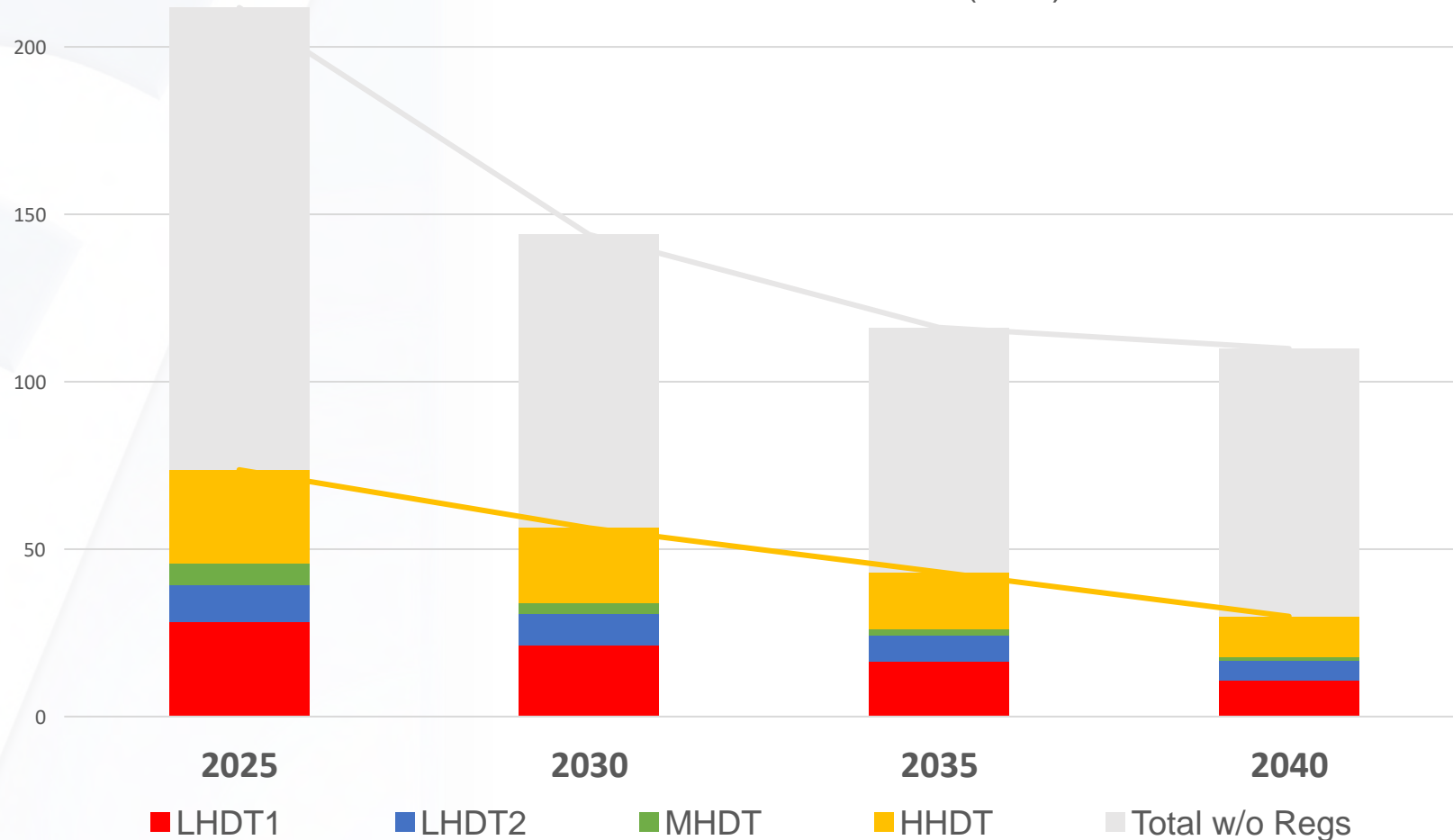
Gray= without emissions reductions from regulations; Color = emissions with regulations in place)

Emissions Data - Trucks

- Medium and Heavy-duty trucks
- Diesel Particulate Matter (PM₁₀ exhaust) Emissions
 - Reductions from normal fleet turnover
 - Reductions from CARB rules
- Q: Are additional reductions feasible given stringency of CARB rules?

With and Without CARB Regulations

Medium + Heavy Duty Trucks
PM10/DPM Emissions (TPY)



*LHDT = Light Heavy-Duty Truck; MHDT = Medium Heavy-Duty Truck; HHDT = Heavy Heavy-Duty Truck

Resources Needed for Rule Development and Implementation

For a rule similar to South Coast AQMD Rule 2305: WAIRE Rule:

- Rule development process
 - 3 Full Time Equivalent (FTE) staff (~one-third of rulemaking team), plus significant Legal support
 - Approximately 3 years
- Rule and program implementation
 - Dependent on rule and program details
 - Ongoing plan/reporting review and enforcement
 - South Coast AQMD estimated 5 FTE for ~3,000 facilities
 - Technology Infrastructure needs

Local Action to Address Indirect Sources

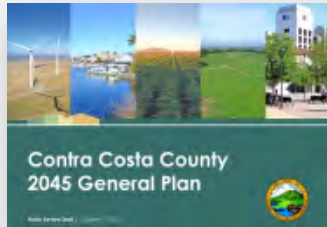
Benefit of local action:

- Local governments have direct land use authority
- Local governments can address community concerns beyond air quality
- Local action can be customized to address specific concerns

Local approaches the Air District can support:

- Proactive long-range planning and ordinance development
- Local land use decisions

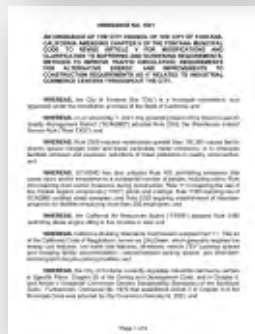
Proactive Long-Range Planning



General Plan policies to guide local planning and infrastructure decisions ([Draft Contra Costa County 2045 General Plan](#))



Good Neighbor Guideline recommendations for air quality, noise and neighborhood character ([Western Riverside Council of Governments](#))



Local Ordinance requirements related to construction and operations ([City of Fontana Industrial Commerce Center Sustainability Standards](#))

Example: Draft Contra Costa County 2045 General Plan

Health and Safety Policy (HS-P)1.8

Require new or expanded commercial and industrial projects exceeding 25,000 square feet of gross floor area to be near zero-emissions (NZE) operations, including the facilities themselves and the associated fleets. Require all necessary measures, such as the following, to achieve NZE:

- (a) Reduce on-site energy consumption and increase on-site energy generation and energy storage.*
- (b) Provide adequate on-site ZE vehicle-capable parking for all anticipated truck traffic to prevent idling and off-site queuing.*
- (c) Provide electrified loading docks with receptacles allowing plug-in of refrigerated trailers.*
- (d) Use heavy-duty trucks that are model year 2014 or later and expedite a transition to ZE trucks by establishing a clear timeline for electrification of trucks as they become commercially available. Ensure contracts with motor carriers include air quality incentives or requirements, such as providing incentives to fleets that meet United States Environmental Protection Agency (US EPA) SmartWay standards or requiring use of ZE or NZE trucks.*
- (e) Use a “clean fleet” of delivery vehicles as they become commercially available, but no later than 2025.*
- (f) Use ZE yard equipment, such as forklifts, pallet trucks and jacks, and stackers.*
- (g) Implement practices to control and remove fugitive dust and other contaminants from paved areas.*
- (h) Uses with fewer than five vehicles domiciled on-site are exempt from this policy.*

Local Land Use Decisions

Local land use decisions can consider:

- > **Spatial Distribution**
- > **Design**
- > **Operations**

MECHANISMS	Zoning
	Overlay Zones or Special Districts
	Conditional Use Permits
	Conditions of Approval
	Site Development Standards

Local Land Use Decisions (cont.)

In complying with **California Environmental Quality Act (CEQA)**, lead agencies can follow best practices for evaluating air quality and greenhouse gas impacts and adopt feasible, enforceable and effective mitigation measures.



The Air District's [2022 CEQA Guidelines](#) includes guidance on analysis and mitigation of air quality and climate impacts, and includes a chapter with best practices for centering Environmental Justice, health, and equity in the siting, design, and development of land use projects



The California Attorney General's Bureau of Environmental Justice's [Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act](#) includes guidance on the analysis and mitigation of air quality, greenhouse gas, noise, traffic and other significant environmental impacts

Example Best Practices for Indirect Sources

- ✓ Require a buffer zone between indirect sources and sensitive receptors (e.g., 1,000 ft)
- ✓ Locate loading docks, truck entries, and truck drive aisles away from sensitive receptors
- ✓ Provide screening and buffering using trees, ground landscaping and solid decorative walls between indirect sources and sensitive receptors
- ✓ Design, clearly mark and enforce truck routes to keep trucks out of residential neighborhoods
- ✓ Provide adequate on-site electric vehicle (EV) capable parking for anticipated truck and passenger vehicles



*Electric vehicle charging stations.
Bay Area Air Quality Management District.*

Example Best Practices for Indirect Sources (cont.)



- ✓ Electrify loading docks and required plug-in of refrigerated and other trailers
- ✓ Require “clean fleets” of delivery vehicles
- ✓ Use only zero-emission yard equipment, such as forklifts, pallet trucks and jacks, and stackers
- ✓ Ensure contracts with motor carriers include air quality incentives or requirements for using zero-emission (ZE) or near zero-emission (NZE) trucks

*Truck equipped with zero-emission transportation refrigeration unit.
Courtesy Mark Tang.*

Next Steps Discussion

CONSIDERATIONS

What indirect source sectors and types should be prioritized with respect to emissions benefit opportunities?

What policy tool(s), including rulemaking and additional support to local jurisdictions, provide the best opportunity to address indirect source impacts, particularly in overburdened communities?

What are the resource implications of our approach relative to other priorities?

Other thoughts?

Extra Slide: Detailed Emissions

Marine, Heavy Duty Truck, and Rail PM10 Emissions Over Time (Tons per Year)
(with and w/o emissions reductions from regulations)

